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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 6030)**

## **ISSUANCE OF USD800,000,000 2.50% BONDS DUE 2018**

Reference is made to the announcement of the Company dated April 18, 2013 in respect of the proposed issue of the Bonds. The Board is pleased to announce that on April 25, 2013, the Company, the Issuer, the Joint Lead Managers and the Joint Bookrunners entered into the Subscription Agreement in connection with the Bonds in the aggregate principal amount of USD800,000,000.

The Issuer (an indirect wholly-owned subsidiary of the Company) will conduct an international offering of the Bonds to professional investors only. The Bonds will only be offered to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Bonds will be offered to the public in Hong Kong or be placed to any connected persons of the Company.

The net proceeds from the Bonds are intended to be used to meet business and operational needs of the Group, including without limitation to adjust its debt structure, as working capital and for projects or other investments. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

The Issuer will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, the LC Bank or the Bonds.

**As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and Shareholders are urged to exercise caution when dealing in the securities of the Company.**

# **SUBSCRIPTION AGREEMENT**

Date: April 25, 2013

## **Parties:**

- (1) the Issuer;
- (2) the Company; and
- (3) the Joint Lead Managers and the Joint Bookrunners.

The Bonds have not been and will not be registered under the U.S. Securities Act or any state securities law. The Bonds will only be offered to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Bonds will be offered to the public in Hong Kong or placed to any connected persons of the Company.

## **PRINCIPAL TERMS AND CONDITIONS**

### *Bonds offered*

Subject to closing conditions, the Issuer will issue the Bonds in the aggregate principal amount of USD800,000,000. The Bonds will mature on May 3, 2018, unless earlier redeemed, or purchased and cancelled in accordance with the Terms and Conditions and the Trust Deed. At maturity, the Bonds are payable at 100% of the principal amount thereof.

### *Offer Price*

The offer price of the Bonds will be 99.753% of the principal amount of the Bonds.

### *Interest*

The Bonds will bear interest on their outstanding principal amount from and including May 3, 2013 at a rate of 2.50% per annum, payable in arrears on November 3 and May 3 in each year. Interest will be calculated on the basis of a year of 360 days with twelve 30-day months.

### *Pre-funding*

No later than eight Business Days before the due date of payment (other than the Make Whole Amount), the Issuer shall pre-fund such payment into a reserve account and deliver to the Trustee and the Principal Paying Agent certain required confirmations in accordance with the Terms and Conditions.

## *Ranking of the Bonds*

The Bonds constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

## *Events of Default*

The events of default under the Bonds include, among other things, failure in payment of principal or of interest on any of the Bonds; a breach by the Issuer or the Company of its other obligations under the Bonds, the Trust Deed or the Keepwell Deed; acceleration of, or a payment default in respect of, certain indebtedness of the Issuer, the Company or any of their subsidiaries that exceeds USD20,000,000 or its equivalent; the Keepwell Deed is not enforceable or is amended or terminated other than strictly in accordance with its terms; the Standby Letter of Credit is not enforceable; acceleration of, or a payment default in respect of, certain of the LC Bank's external indebtedness that exceeds USD25,000,000 or its equivalent; and the insolvency or winding-up of the LC Bank, the Issuer, the Company, or any material subsidiary of the Company or the LC Bank.

If an event of default under the Bonds occurs, then the Trustee may, subject to applicable provisions under the Terms and Conditions, give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

## *Covenants*

In accordance with the Terms and Conditions, the Issuer will undertake that, among other things, so long as any Bonds remain outstanding, save with the approval of the holders of the Bonds:

- (1) it will use all reasonable endeavors to maintain a rating on the Bonds by a Rating Agency; and
- (2) it will not conduct any business or any activities other than the issue of the Bonds or other bonds outside the PRC and the lending of the proceeds thereof to the Company or any of the Company's subsidiaries and affiliates and other activities reasonably incidental thereto.

In addition, so long as the Bonds are outstanding, the Issuer will remain 100% owned by CITIC Securities International Company Limited, which will remain 100% owned by the Company, and all outstanding shares of the Issuer will remain free and clear of any security interest, claim, lien or encumbrance.

In accordance with the Terms and Conditions, the Company will undertake that, among other things, so long as any Bonds remain outstanding, save with the approval of the holders of the Bonds:

- (1) it will use all reasonable endeavors to maintain a rating on the Bonds by a Rating Agency;
- (2) it will, within 120 days after the end of each financial year, send to the Trustee two copies of audited annual consolidated financial statements of the Company; and
- (3) it will, within 90 days after the end of each second financial quarter, send to the Trustee two copies of unaudited semi-annual consolidated financial statements of the Company.

### *Redemption*

Unless previously redeemed, or purchased and cancelled in accordance with the Terms and Conditions, the Bonds will be redeemed at their principal amount on May 3, 2018.

In accordance with the Terms and Conditions, the Bonds may be redeemed in any of the following circumstances:

- (1) the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the Bondholders, at their principal amount, together with interest accrued to the date fixed for redemption, at the time in the event of certain changes affecting taxes of the British Virgin Islands, the PRC or other jurisdiction in which the Issuer is a tax resident as set out in the Terms and Conditions;
- (2) the Bonds may be redeemed by the Issuer in whole, but not in part, at any time upon giving not less than 15 nor more than 45 days' notice, at a redemption price equal to their Make Whole Amount together with interest accrued to the date fixed for redemption, at the time as set out in the Terms and Conditions; and
- (3) at any time following the occurrence of a change of control as set out in the Terms and Conditions, the holder of any Bonds will have the right, at such holder's option, to require the Issuer to redeem all, but not only some, of that holder's Bonds at 100% of their principal amount together with accrued interest, 14 days after the later of 30 days following a change of control and 30 days following a notice of redemption is deposited at the specified office of any Paying Agent as set out in the Terms and Conditions.

## **STANDBY LETTER OF CREDIT**

The Bonds will have the benefit of an irrevocable Standby Letter of Credit denominated in USD issued by the LC Bank in favour of the Trustee, on behalf of the holders of the Bonds. The Standby Letter of Credit shall be drawable by the Trustee as beneficiary under the Standby Letter of Credit on behalf of the holders of the Bonds upon the presentation of a demand sent by or on behalf of the Trustee in the event that the Issuer has failed to comply with the pre-funding requirements under the Terms and Conditions or if an event of default occurs.

Every payment made under the Standby Letter of Credit in respect of any amount payable under the Terms and Conditions shall, to the extent of the drawing paid to or to the order of the Trustee, satisfy and discharge the obligations of the Issuer in respect of such amount payable under the Terms and Conditions.

## **KEEPWELL DEED**

The Bonds will also have the benefit of the Keepwell Deed to be entered into between the Company, the Issuer and the Trustee. Under the Keepwell Deed, the Company will undertake to the Issuer and the Trustee that it shall directly or indirectly own and hold all the outstanding shares of the Issuer free and clear of any security interest, claim, lien or encumbrance and will not directly or indirectly pledge, charge, mortgage, grant a security interest in, or in any way encumber or otherwise dispose of any such shares, and that it shall cause the Issuer to have consolidated net assets of at least USD1.00 at all times and the Issuer to have sufficient liquidity to ensure timely payment of any amounts payable in respect of the Bonds in accordance with the Terms and Conditions and otherwise in the Trust Deed and the Agency Agreement.

For so long as the Bonds are outstanding, the Company will undertake in the Keepwell Deed:

- (1) to procure that the articles of association of the Issuer shall not be amended in a manner that is, directly or indirectly, adverse to holders of the Bonds save for such amendments as may be preferred by mandatory provisions of law;
- (2) to cause the Issuer to either use the proceeds from the offering of the Bonds itself or to lend such proceeds only to the Company or a Relevant Subsidiary, and to cause each Relevant Subsidiary to perform its obligations regarding such intercompany loan on time;
- (3) to cause the Issuer to remain in full compliance with the Terms and Conditions, the Trust Deed and all applicable rules and regulations in the British Virgin Islands and Hong Kong;
- (4) promptly to take any and all action necessary to comply with its obligations under the Keepwell Deed;
- (5) to cause the Issuer to take all action necessary to comply with its obligations under the Terms and Conditions, the Keepwell Deed, the Trust Deed and the Agency Agreement; and
- (6) to ensure that the Issuer has sufficient funds to meet its obligations with respect to any and all fees and expenses payable by, and obligations of, the Issuer, including but not limited to fees and expenses with respect to the corporate formation and administration of the Issuer.

The Keepwell Deed is not, and nothing therein contained and nothing done pursuant thereto by the Company shall be deemed to constitute, a guarantee by the Company of the payment of any obligation, indebtedness or liability, or any kind or character whatsoever, of the Issuer under the laws of any jurisdiction.

## **PROPOSED USE OF NET PROCEEDS**

The net proceeds from the Bonds are proposed to be used to meet business and operational needs of the Group, including without limitation to adjust its debt structure, as working capital and for projects or other investments. The Company may adjust the foregoing plans in response to changing market conditions and thus, reallocate the use of proceeds.

## **LISTING AND RATING**

The Issuer will seek a listing of the Bonds on the Stock Exchange. A confirmation of the eligibility for the listing of the Bonds has been received from the Stock Exchange. Admission of the Bonds to the Stock Exchange is not to be taken as an indication of the merits of the Issuer, the Company, the LC Bank or the Bonds.

The Bonds are expected to be rated “A” by S&P. The rating reflects S&P’s assessment of the likelihood of timely payment of the principal of and interest on the Bonds. The rating does not address the payment of any additional amounts and does not constitute a recommendation to buy, sell or hold the Bonds inasmuch as such rating does not comment as to market price or suitability for a particular investor.

There can be no assurance that the rating will remain in effect for any period or that the rating will not be suspended, upgraded, reduced or withdrawn by S&P in the future if, in their judgment, circumstances so warrant. Such rating should be evaluated independently of any other rating on the Bonds, on any other securities of the Issuer or on the Issuer.

## **GENERAL**

As the conditions precedent to completion of the Subscription Agreement may or may not be satisfied and the Subscription Agreement may be terminated upon the occurrence of certain events, prospective investors and Shareholders are advised to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“ABCI”	ABCI Capital Limited, one of the Joint Bookrunners
“Agency Agreement”	the agency agreement proposed to be entered into among the Issuer, the Company, the Trustee, Citibank, N.A., London Branch as the principal paying agent and transfer agent, Citigroup Global Markets Deutschland AG as the registrar and Citibank, N.A., Hong Kong Branch as the account bank in relation to the Bonds as amended or supplemented from time to time
“Barclays”	Barclays Bank PLC, one of the Joint Bookrunners
“Board”	the board of Directors
“BOCHK”	Bank of China (Hong Kong) Limited, one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“BOCL”	Bank of China Limited, one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“BofA Merrill Lynch”	Merrill Lynch International, one of the active Joint Bookrunners
“Bonds”	the USD denominated credit enhanced bonds proposed to be issued by the Issuer
“Business Day”	means a day, other than a Saturday or a Sunday or a public holiday, on which banks are open for business in Beijing, Hong Kong, Macau, London and New York
“CA-CIB”	Crédit Agricole Corporate and Investment Bank, one of the Joint Bookrunners
“Citi”	Citigroup Global Markets Limited, one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“Company”	CITIC Securities Company Limited, a joint stock limited company incorporated in the People’s Republic of China with limited liability, whose overseas listed foreign invested shares are listed on the main board of the Stock Exchange and the domestic listed shares are listed on Shanghai Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange
“CSCF”	CITIC Securities Corporate Finance (HK) Limited, an indirect wholly-owned subsidiary of the Company, and one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“Deutsche Bank”	Deutsche Bank AG, Singapore Branch, one of the Joint Bookrunners
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“Issuer”	CITIC Securities Finance 2013 Co., Ltd, a company incorporated with limited liability in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“J.P. Morgan”	J.P. Morgan Securities plc, one of the Joint Bookrunners
“Joint Bookrunners”	the joint bookrunners in respect of the offer and sale of the Bonds, namely, CSCF, BOCL, BOCHK, Citi, HSBC, Standard Chartered Bank and BofA Merrill Lynch as the active joint bookrunners, and Deutsche Bank, CA-CIB, J.P. Morgan, Barclays and ABCI as the joint bookrunners
“Joint Global Coordinators”	the joint global coordinators in respect of the offer and sale of the Bonds, namely, CSCF, BOCL, BOCHK, Citi, HSBC and Standard Chartered Bank
“Joint Lead Managers”	the joint lead managers in respect of the offer and sale of the Bonds, namely, CSCF, BOCL, BOCHK, Citi, HSBC and Standard Chartered Bank
“Keepwell Deed”	the keepwell deed proposed to be entered into between the Company, the Issuer and the Trustee in relation to the Bonds
“LC Bank”	Bank of China Limited, Macau branch

“Make Whole Amount”	in respect of each Bond at the relevant date fixed for redemption, the higher of (i) the principal amount of such Bond or, (ii) the amount equal to the sum of the present value of the principal amount of such Bond, together with the present values of the interest payable in the relevant interest periods from the relevant redemption date to the maturity date, in each case as discounted as set out in the Terms and Conditions
“Principal Paying Agent”	Citibank, N.A., London Branch and any successor principal paying agent appointed from time to time in connection with the Bonds
“Paying Agent”	any paying agent that is named in the Agency Agreement, including the Principal Paying Agent and any successor or additional paying agent appointed from time to time in connection with the Bonds
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan area
“Rating Agency”	S&P, or if S&P shall not make a rating of the Bonds publically available, the Issuer and the Company shall select and substitute S&P with either Moody’s Investors Services, Inc. or Fitch Ratings, Inc. and its successors
“Relevant Subsidiary”	the Company’s subsidiaries and affiliates
“Standard Chartered Bank”	Standard Chartered Bank, one of the Joint Global Coordinators, Joint Lead Managers and active Joint Bookrunners
“S&P”	Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.
“Shareholder(s)”	holder(s) of the shares of the Company
“Standby Letter of Credit”	an irrevocable standby letter of credit issued by the LC Bank in favour of the Trustee, on behalf of the holders of the Bonds, in respect of the Bonds
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	a subscription agreement entered into among the Issuer, the Company, the Joint Lead Managers and the Joint Bookrunners dated April 25, 2013
“Terms and Conditions”	the terms and conditions of the Bonds, which are in the form set out in Schedule 3 to the Trust Deed

“Trust Deed”	the trust deed proposed to be entered into between the Issuer, the Company and the Trustee in relation to the Bonds as amended or supplemented from time to time
“Trustee”	Citicorp International Limited
“U.S. ” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“USD”	United States dollars, the lawful currency of the Unites States

By order of the Board  
**CITIC Securities Company Limited**  
**Wang Dongming**  
*Chairman*

Beijing, the PRC  
April 26, 2013

*As of the date of this announcement, the executive Directors are Mr. WANG Dongming, Mr. CHENG Boming and Mr. YIN Ke, the non-executive Directors are Mr. JU Weimin and Mr. FANG Jun, and the independent non-executive Directors are Mr. WU Xiaoqiu, Mr. LEE Kong Wai, Conway, Mr. RAO Geping and Mr. WEI Benhua.*